



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

MEMO ENDORSED

September 21, 2015

BY ECF FILING

The Honorable William H. Pauley III
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street, Room 1920
New York, New York 10007

Re: SEC v. Caledonian Bank Ltd., et al.
Case No. 15-cv-894 (WHP)

| |
|----------------------|
| USDC SDNY |
| DOCUMENT |
| ELECTRONICALLY FILED |
| DOC #: |
| DATE FILED: 10/20/15 |

Dear Judge Pauley:

The purpose of this letter is to request a pre-motion conference for a contemplated motion for default judgment against Defendants Clear Water Securities, Inc. and Legacy Global Markets S.A. (collectively, the "Defendants"). The Securities and Exchange Commission suggests October 5, 2015 as the date by which it will file such a motion.

The nature of the SEC's claim is that Clear Water and Legacy Global violated Section 5(a) and (c) of the Securities Act of 1933 (the "Securities Act") [15 U.S.C. 77e(a) & (c)] by engaging in unregistered distributions of securities when they sold into the public markets large quantities of securities issued by two shell companies, Swingplane Ventures, Inc. ("Swingplane") and Goff Corporation ("Goff"), shortly after stock splits and major changes in business and management announced by the shell companies, and simultaneously with aggressive stock promotion campaigns. In the face of the SEC's *prima facie* case that they sold the securities in interstate commerce without registration, the Defendants have the burden to prove that their sales were exempt under Section 4 of the Securities Act, but they cannot meet that burden because they have defaulted.

In a criminal case involving pump-and-dumps in the United States District Court for the Eastern District of New York, *United States v. Bandfield*, Case No. 1:14-cr-ILG (E.D.N.Y.), Philip Thomas Kueber, the Chief Executive Officer of Clear Water and a signatory to Legacy Global's brokerage account in the United States, entered this country, surrendered to the United States Attorney and, on August 24, 2015, was arraigned to face criminal charges. On September 12, 2015, the SEC sent an email to Kueber's attorneys in *Bandfield* informing them of the instant action and attaching the Amended Complaint and the Clerk's Certificate of Default. They did

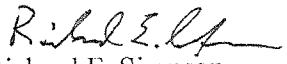
not respond. Like Kueber, Legacy Global is a defendant in *Bandfield*, being accused of conspiracy to commit securities fraud and conspiracy to commit money laundering. Similar to this action, Legacy Global has not entered a plea or otherwise appeared in the *Bandfield* case.

When it files its motion for default judgment, the SEC intends to include a declaration representing that the Court has subject matter and personal jurisdiction over the Defendants in this action, and that the Defendants are not infants or incompetents. The motion for a default judgment will be accompanied by a Certificate of Default signed and stamped by the Clerk of Court and stating that the Defendants were properly served and failed to answer or appear.

The motion for default judgment will include calculations that the SEC made in arriving at the proposed judgment amount, plus definitive information and documentation from which the proposed judgment amount was calculated. The motion will include definitive information demonstrating the appropriate amount of disgorgement and prejudgment interest that the SEC seeks. The motion will represent that no part of the judgment sought has been paid by the Defendants.

Clear Water and Legacy Global violated Section 5 by selling securities without registration simultaneously with aggressive stock promotion campaigns. They have not answered or otherwise responded to the Complaint or the Amended Complaint and have not entered an appearance. The Court should grant the SEC leave to file a motion for default judgment.

Respectfully,



Richard E. Simpson
Assistant Chief Litigation Counsel
(202) 551-4492

cc: See attached service list

The pre-motion requirement is waived. The SEC may move for default judgment against Clear Water and Legacy Global as follows:

1. The SEC shall file its motion by November 2, 2015.
2. Clear Water and Legacy Global shall each file any opposition by November 30, 2015.
3. If an opposition is filed, any reply shall be filed by December 7, 2015.
4. The SEC shall notify this Court if no opposition is filed.
5. This Court will take the motion on submission.

SO ORDERED:


WILLIAM H. PAULEY III
U.S.D.J.

CERTIFICATE OF SERVICE

I certify that on September 21, 2015, I electronically filed the foregoing PREMOTION LETTER using the CM/ECF system, which will send notification of such filing to counsel for Defendants Caledonian Bank Ltd., Caledonian Securities Ltd. and Vermont Capital, S.A. at the following addresses:

Robert J.A. Zito
Carter Ledyard Milburn LLP
Two Wall Street
New York, New York 10005
zito@clm.com
Attorneys for Defendant
Vermont Capital, S.A.

Sigal P. Mandelker
Margaret A. Dale
Proskauer Rose LLP
Eleven Times Square
New York, New York 10036
smandelker@proskauer.com
mdale@proskauer.com
Attorneys for Defendants Caledonian
Bank Ltd. and Caledonian Securities Ltd.

In addition, I certify that on September 21, 2015, I served the PREMOTION LETTER on Defendants Clear Water Securities, Inc. and Legacy Global Markets S.A. by international courier at the following addresses:

Clear Water Securities, Inc.
Caye Bank Building
Second Floor
Coconut Drive
San Pedro Ambergris Caye
Belize

Legacy Global Markets S.A.
Caye Bank Building
Second Floor
Coconut Drive
San Pedro Amergris Caye
Belize

s/ Richard E. Simpson
Richard E. Simpson